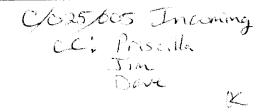


Alton Coal Development, LLC

463 North 100 West, Suite 1 Cedar City, Utah 84720 Phone (435) 867-5331 • Fax (435) 867-1192



November 17, 2009

Jason Gipson U.S. Army Corps of Engineers Nevada-Utah Regulatory Branch 533 West 2600 South, Suite 150 Bountiful, UT 84010-7744

Dear Mr. Gipson,

We are in receipt of your letter dated November 12, 2009 which requests a Wetlands Delineation Report for the Coal Hollow Project under identification number SPK-2009-01008. This report is expected to be finished within the next 30 to 45 days. Once the report is complete, it will then be submitted in a timely manner to the Corps St. George office, as requested.

In addition, your letter also conveys the conclusion that wetlands exist within the project area based on the Utah Coal Regulatory Program's Technical Analysis, dated October 15, 2009. The information provided by Alton Coal Development, LLC for this analysis does not include the required data or parameters to appropriately determine whether wetlands exist within the project area. Any conclusions based on this analysis would not be supported by the Corps of Engineers standards for determining the existence of wetlands and therefore should not be considered an appropriate document for making such an assessment. If the Corps of Engineers are aware of another source that provides a wetland delineation for the Coal Hollow Project area, we request that this information be provided to us so that it can be properly considered in the Wetland Delineation Report. Our report will appropriately address the existence or nonexistence of wetlands within the project area using the Corps of Engineers standards and guidelines.

Alton Coal Development, LLC does not have plans to engage in activities that would result in a discharge of dredged or fill material into any wetlands prior to submitting the Wetland Delineation Report.

If you have any further questions or concerns, please contact me at (435) 867-5331.

Sincerely,

This R. Theta

Chris R. McCourt General Manager

NOV 2 3 2009

PECEIVED

Cc: Charles Williamson, UDWR Daron Haddock, UDOGM Keith Rigtrup, BLM Denise Dragoo, Snell & Wilmer

DIV. OF OIL, GAS & MINING